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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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THIS IS UNEVALUATED INFORMATION

1. Up to and including 1953, all research and development work in East Germany were divided into two categories:

   a. Research and development work financed with budgetary funds (Haushaltsmittel)
   b. Research and development work financed through the central research funds of the East German Zentralamt fuer Forschung und Technik (Central Office for Research and Technology) (ZAFT).

2. Budgetary funds were given by the Ministry of Finance to the organizational units in whose individual budgets research institutes were provided for. Such organizational units were, for instance, the German Academy of Sciences, the German Academy of Agricultural Sciences, the education Ministry or other ministries or offices with research institutes affiliated with them. The Ministry of Finance approves research funds in the budget of an organizational unit. In according to the Budget Plan (Stellenplan) of the Budget Planning Commission (Stellenplankommission), a part of the State Planning Commission. Research and development projects financed exclusively by budgetary funds were not subject to approval by and control through ZAFT. However, some of the institutes affiliated with the above-named organizational units, in addition to carrying out research and development financed by budgetary funds, also carried out research and development projects financed by the central ZAFT funds. In this case, the projects in question were part of the ZAFT research and development plan and subject to ZAFT approval and control. Furthermore, if the money for a research and development project originally planned to be financed by budgetary funds was not sufficient, and money from the ZAFT central funds had to be used too, such a project would also require approval by ZAFT. Up to and including 1953, only those research and development projects were actually independent from ZAFT which were exclusively financed by budgetary funds. These projects, in almost all cases, were pure research projects carried out in Academy and university institutes.

3. All research and development projects which were not financed by budgetary funds were part of the ZAFT research and development plan and subject to ZAFT administration, i.e., ZAFT approval and control. These projects were financed through the central research funds of ZAFT. They can be divided into two categories:

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a. Research and development projects carried out in industrial enterprises (nationalized and private)
b. Projects of academic institutes which for one reason or another could not be financed by budgetary funds.

ZAFT, in cooperation with the State Planning Commission, established a control figure (Kontrollziffer, also called Richtzahl) for every plan year, which represented the total central funds allowed for research and development during that year. ZAFT furthermore broke this total control figure down into individual control figures for the organizational units with which the institutes carrying out the projects were affiliated. The organizational units in this case were the ministries responsible for industrial enterprises, the Academies of Sciences, and other offices with research institutes affiliated with them, such as the Deutsches Amt fuer Mass und Gewicht, Deutsches Amt fuer Material und Warenpruefung, etc. ZAFT made funds available to these organizational units according to the control figure applying to each of them. ZAFT, in cooperation with the organizational units, further broke down the control figures for every organizational unit into individual control figures applying to each individual research and development institute, factory, office, etc. The funds were made available to the research institutes, etc., by the Deutsche Notenbank upon order of ZAFT.

4. This situation was radically changed effective 1 January 1954. Since that date, ZAFT has abandoned the financial control of East German research and development. This was carried out exclusively by the organizational units to which the research and development installations belonged. ZAFT, however, still was responsible for the breaking down of the total research and development control figure into individual control figures for the organizational units. From 1 January 1954 on, ZAFT was exclusively engaged in the administrative, scientific and technical control of research and development projects. The total control figure for 1954, which was 450,000,000 DME, was so much greater than that of 1953 (190,000,000 DME) because it included the money for both kinds of projects which up to and including 1952 were financed both by budgetary funds and by the central ZAFT research funds. From 1 January 1954 on, the tasks fulfilled by ZAFT could be roughly summarized thus:

a. Scientific and technical instructions pertaining to the carrying out of research projects
b. Administrative and technical control of all research projects included in the research and development plan
c. Report on the projects carried out in 1953 and on the status of fulfillment of the 1953 research and development plan. This should have been completed by February 1954 but was still not completed by May 1954.
d. Breaking down of the total research control figures for 1955 into individual control figures for the organizational units.
e. Evaluation of the results of the 1954 research and development plan.
f. Preparation of measures to transfer completed research and development work in the quickest way possible into production.
g. Preparation and processing of the 1955 research and development plan.
h. Establishment of a proposed research and development plan for the second Five Year Plan period, 1955 to 1960.

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